



Department of Environmental Protection

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ZERO PERCENT (0%) INTEREST RATE LOANS ENHANCED LOAN SUBSIDY FOR NUTRIENT MANAGEMENT PROJECTS

MEMORANDUM

To: Clean Water State Revolving Fund Borrowers and Consultants

From: Steve McCurdy, Director, MassDEP Municipal Services

Date: January 17, 2012 (updated February 25, 2018)

Subject: Enhanced Loan Subsidy for Wastewater Nutrient Management Projects

Regulations in 310 CMR 44 establish that certain wastewater nutrient management projects financed through the Clean Water State Revolving Fund (CWSRF) program may receive an enhanced state-financed subsidy on the available loan interest rate of two percent (2%). The regulations detail a program established by the Massachusetts Legislature, in the statute M.G.L. c. 29C, § 6, that provides for qualified wastewater projects to receive a zero-percent (0%) interest rate on the portion of their loan related to nutrient removal. The regulations and zero-percent interest rate do not apply to the Drinking Water SRF (DWSRF) program.

The statute that provides for the zero-percent interest rate is specifically restrictive, establishing thresholds that borrowers must meet to be eligible for the enhanced subsidy. Borrowers that are unable to meet the threshold will not receive the zero-percent rates, but will continue to qualify for the standard two percent (2%) CWSRF loan interest rate.

The Department has developed guidance for applicants seeking to qualify for these zero-percent CWSRF interest-rate loans. The guidance to applicants can be found at:

<https://www.mass.gov/doc/general-information-on-zero-percent-cwsrf-loans>

The guidance document details the information that borrowers must present to MassDEP to demonstrate that the proposed wastewater project funded under the Intended Use Plan (IUP) qualifies for the zero-percent interest loan rate.